

**OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT
NHSC/STATE LOAN REPAYMENT PROGRAM**

FACT SHEET

Visit us at: www.oshpd.state.ca.us/pcrcd/stateloan/index.htm

Program Description:

The National Health Service Corps (NHSC)/State Loan Repayment Program (Program) is designed to assist in the placement of primary care health professionals in Health Professional Shortage Areas (HPSAs) of California. The only disciplines eligible to participate in the Program are: Physicians (MD or DO) specializing in family practice, general internal medicine, general pediatrics and obstetrics/gynecology; physician assistants; nurse practitioners; certified nurse-midwives, general practice dentists (DDS or DMD), psychiatrists, clinical or counseling psychologists, social workers, marriage and family counselors, mental health counselors, and licensed professional counselors.

The Office of Statewide Health Planning and Development (Office) administers the Program under a grant from the Federal Government. Under this Program, the Office is authorized to repay outstanding government and commercial loans only, for expenses incurred during undergraduate or graduate education (i.e., principal, interest, and related expenses for tuition, educational expenses, and reasonable living costs). Award recipients are responsible for paying any interest that accrues on their loan(s) during the application process and subsequent service obligation period.

Health professionals participating in this Program must practice in public or private not-for-profit settings approved by the Office, therefore, cannot establish private practices.

Loan Repayment Awards: Health professionals may be granted up to the following amounts:

<u>Service Year</u>	<u>State Award</u>	<u>Practice Site Match</u>	<u>Yearly Totals</u>
1	\$12,500	\$12,500	\$ 25,000
2	\$12,500	\$12,500	\$ 25,000
3	\$17,500	\$17,500	\$ 35,000
4	\$17,500	\$17,500	<u>\$ 35,000</u>
Award Total			\$120,000

Please Note: Loan repayment awards are considered personal income and are taxable.

Health Professional Requirements:

Applicants must meet the following requirements at the time of application:

- Be U.S. citizens with current and unrestricted California licenses to practice their profession;
- Be free of unserved obligations for service (Local, State and Federal);
- Be free of judgments arising from Federal debt;
- Be committed to providing primary health services, in an urban or rural Health Professional Shortage Area (HPSA), for a minimum of 2 consecutive years (or up to 3 or 4 consecutive years); and,
- Be committed to practicing full-time, which is defined as a minimum of 40 hours per week for at least 45 weeks per year, as follows:

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Health Professional Requirements (Continued):

- Obstetricians/Gynecologists and Certified Nurse-Midwives. Full-time is defined as a minimum of 21 hours at site providing direct patient care, with the remaining hours providing inpatient care to patients of the approved site, and/or in practice-related activities. Other practice-related activities (e.g., precepting, meetings, cme, etc.) cannot exceed 8 hours per week. The time spent “on-call” cannot be counted toward the 40 hour week;

All Others. Full-time is defined as a minimum of 40 hours per week (32 hours at site providing direct patient care and up to 8 hours in practice-related activities-e.g., chart review, meetings, precepting, cme, etc.). The time spent “on-call” cannot be counted toward the 40-hour week; and,

- Agree to enter into a service contract, with the Office, for a minimum of 2 consecutive years. (Award recipients are responsible for paying any interest that accrues on their loan(s) during the application process and subsequent service obligation period.)

Interested health professionals meeting the requirements should:

- Locate and secure a position at a suitable practice site (the Office does not do placements or maintain a vacancy list);
- Obtain approval, from the practice site, to apply for loan repayment;
- If approved, call the Office to request a “Health Professional Application”;
- Submit the Application and relevant documentation to the Office via the practice site contact person. (Applications are accepted on a continuous basis, until funding is exhausted.)

Practice Site Requirements:

Practice sites must meet the following requirements at the time of application:

- Be public or private not-for-profit entities;
- Be located in Federally designated medical and/or dental Health Professional Shortage Areas (HPSAs);
- Be committed to employing health professionals full-time, for a minimum of 2 consecutive years, (and up to 3 or 4 consecutive years if desired);
- Hire health professionals at salaries based on prevailing rates in the area;
- Agree to match the Office’s loan repayment award, on a dollar-for-dollar basis, in addition to salary; agree to pay the match with non-federal funds (i.e., revenues from State or local government and the private sector, no part of which represents an appropriation of Federal funds); and, agree to make the loan repayments directly to the health professional’s lending institutions;
- Agree not to use the Office’s award or the match as a means to reduce health professional salaries or offset health professional salaries (e.g., deduct funds from paychecks); and,
- Agree to enter into a Memorandum of Understanding with the Office.

Interested clinics meeting the requirements should call the Office to request a “Certified Eligible Site Application”. (Applications are accepted on a continuous basis.)

Program contact: Karen Munsterman, Program Administrator, California Loan Repayment Program, Healthcare Workforce and Community Development Division, Office of Statewide Health Planning and Development, 1600 9th Street, Room 440, Sacramento, CA 95814, (916) 654-2102.

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